



National Shelter backs long-term housing reforms despite rental market noise

Housing reforms should be judged by their long-term impact on affordability, housing supply and fairness, not by short-term market noise that treats renters as collateral, National Shelter says.

The peak body for housing says it is too early to draw definitive conclusions about the full impact of the tax changes, both because they have yet to take effect and because housing markets are shaped by a range of factors, including population growth, construction activity, economic conditions and interest rates.

There is, however, extensive and consistent evidence showing that investor tax concessions have contributed to higher house prices over many years, making it harder for first-home buyers to enter the market and increasing costs for renters.

National Shelter CEO Jackson Hills said: “We don’t believe these tax reforms should be used as a reason to raise rents. Rental costs have been rising significantly for many years, driven by a combination of supply and demand pressures, interest rates and broader economic factors. At the same time, there is strong evidence that investor tax settings have contributed to higher house prices. As these reforms begin to take effect, it’s important that the debate is guided by evidence and focused on improving housing affordability for everyone.”

“The changes to these tax settings direct investment towards new housing supply rather than existing homes. We acknowledge that they are an important step towards a fairer housing system and will continue to balance it long-term instead of producing immediate changes overnight.

“The reforms have been designed with transitional arrangements and grandfathering provisions, meaning many existing investors will see little or no direct change to their current arrangements. Suggesting the reforms justify rent increases creates unnecessary anxiety for renters already facing real financial pressures.

“These reforms to investor tax concessions are about creating a fairer housing system for everyone. We are already seeing encouraging signs, with home prices becoming more affordable and more first-home buyers entering the market. That not only helps aspiring homeowners purchase their first property, but also frees up rental housing and creates new pathways to home ownership for people who might otherwise spend a lifetime renting.

“National Shelter has long advocated for policy settings that treat housing first and foremost as a place to live, while supporting the increase of supply in homes Australians can afford. We



believe these reforms will help create a fairer housing system that is more sustainable and delivers a better outcome for generations to come.”

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